

# American Banker

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## The Daily Financial Services

VOL. CLI NO. 230 Friday, November 21, 1986 151st Year

|                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>TODAY</b>                                                                                                                                                                                                                                                                                                                                                                                                                       |    |
| <b>THE TOP 300 MORTGAGE FIRMS</b> are significantly increasing their share of the mortgage servicing market. This concentration of servicing signals a fundamental change in the industry, according to an <i>American Banker</i> survey.....                                                                                                                                                                                      | 16 |
| <b>SECURITY PACIFIC CORP.</b> , in a change of heart, is asking the Federal Reserve Board for permission to acquire all, instead of only up to 9.9%, of the common shares outstanding of Westamerica Bancorp., San Rafael, Calif. Separately, Security Pacific agreed to buy Users Inc., which provides share draft processing and other services to 500 credit unions across the country. Users is based in Valley Forge, Pa..... | 2  |
| <b>J.P. MORGAN &amp; CO.</b> has applied to the Federal Reserve Board to offer investment advice and securities execution services from one subsidiary, J.P. Morgan Equities Inc.....                                                                                                                                                                                                                                              | 2  |
| <b>CONTINENTAL ILLINOIS CORP.</b> announced the creation of a new merchant banking subsidiary in London to serve as the base of its operations in the international securities markets. Continental Illinois Ltd. is being formed just over two years after its parent was forced to sell its original merchant banking operation...                                                                                               | 2  |
| <b>MASTERCARD OFFICIALS</b> are questioning the propriety of Visa's recent agreement to manage the Interlink point-of-sale network in California. MasterCard leaders have so far been mild in their criticism, but they are clearly irritated that Visa solidified its relationship with Interlink while Visa and MasterCard were cooperating on a point-of-sale strategy.....                                                     | 3  |
| <b>POSSIBLE CAUSES</b> of the decline in bank profits are discussed in the second installment from a chapter in "Recent Trends in Commercial Bank Profitability: A Staff Study," published in September by the Federal Reserve Bank of New York.....                                                                                                                                                                               | 4  |
| <b>TWO REGULATORS</b> , the Federal Deposit Insurance Corp. and the Federal Reserve Board, are locked in a dispute over who has jurisdiction over subsidiaries of state-chartered banks, according to one of the regulators.....                                                                                                                                                                                                   | 14 |
| <b>In the News</b> .....                                                                                                                                                                                                                                                                                                                                                                                                           | 3  |
| <b>Quote</b> —                                                                                                                                                                                                                                                                                                                                                                                                                     |    |
| <i>The banks have been filling American consumers' mailboxes with false claims and phony offers, and lining their own pockets through deliberate consumer confusion.</i>                                                                                                                                                                                                                                                           |    |
| Elwood Holstein, director of Bankcard Holders of America, commenting on credit card advertising. [Page 1]                                                                                                                                                                                                                                                                                                                          |    |
| <b>Unquote</b>                                                                                                                                                                                                                                                                                                                                                                                                                     |    |

## Bank Card Ads Draw Fire from Lobby Group

### Citicorp, Sears Criticized For 'Deceptive' Practices

By MARK SULLIVAN  
States News Service

WASHINGTON — A consumer association on Thursday charged that U.S. banks are attracting new credit card customers through "misleading and deceptive advertising."

"The banks have been filling American consumers' mailboxes with false claims and phony offers and lining their own pockets through deliberate consumer confusion," said Elwood Holstein, director of the Bankcard Holders of America.

### MasterCard Questions Visa Deal

Page 3

The group recently completed a review of credit card ads from newspapers, magazines, direct-mail solicitations, and "take-one" displays. Mr. Holstein singled out the ads of six major issuers of bank credit cards as examples of what he called misleading, though legal, marketing practices. The issuers cited are Bank One, Columbus NA in Ohio; Sovran Bank, Richmond, Va.; Bank of America, San Francisco; Citibank, New York; Sears Financial Network; and First Deposit National Bank, Tilton, N.H. All six financial institutions were guilty, according to Mr. Holstein, of any or all of the following practices:

- Not providing information on the important financial terms of the credit card in the advertisements.
  - Using misleading payment gimmicks to camouflage the true cost of credit to the consumer.
  - Offering nonfinancial membership
- Bank Card: Page 14 ➡

## Approval of Sumitomo's Stake In Goldman Intrigues Industry

By ROBERT TRIGAUX  
Washington Bureau

WASHINGTON — The Federal Reserve Board's approval of a Japanese bank's planned stake in a U.S. investment bank has the financial industry buzzing about policy implications for separation of banking and commerce under the Glass-Steagall Act.

But, as a practical matter, U.S. bank holding companies see little reason to pursue similar investments in securities firms and are actively chasing other opportunities in the investment banking arena, according to observers. Disinterest among U.S. banks stems mainly from restrictions to insure that the Japanese bank does not assert control over the securities firm.

Nevertheless, the proposed investment of Sumitomo Bank Ltd. in Goldman, Sachs & Co., New York, represents the first major stake by a giant foreign banking organization in a major U.S. securities firm. "I think it is very significant," said John Hawke, a former Federal Reserve general counsel and a partner with Arnold & Porter. "It reflects the tensions that must exist in the investment firm."

Sumitomo: Page 14 ➡

## FDIC Will Turn to Public Accountants In Effort to Examine Banks More Often

By JAY ROSENSTEIN  
and ROBERT GARSSON  
Washington Bureau

WASHINGTON — Faced with a need to increase the frequency of bank examinations, Federal Deposit Insurance Corp. Chairman L. William Seidman on Thursday unveiled plans to supplement the agency's examiner force with help from public accountants.



William Seidman

The FDIC chairman unveiled the program in a

speech to the national banking conference of the American Institute of Certified Public Accountants.

Comptroller of the Currency Robert Clarke told the accountants' group that his agency also is considering expanding the use of accounting firms in carrying out supervisory duties, and might require that national banks get outside audits. Many new national banks, and national banks that are part of publicly traded holding companies, already are required to have outside audits, but other national banks escape that additional layer of scrutiny.

Mr. Seidman, an accountant by training, said financial troubles at banks, along with fraud and other abuses by bank officials, have made it necessary to increase the frequency of on-site

FDIC: Page 14 ➡

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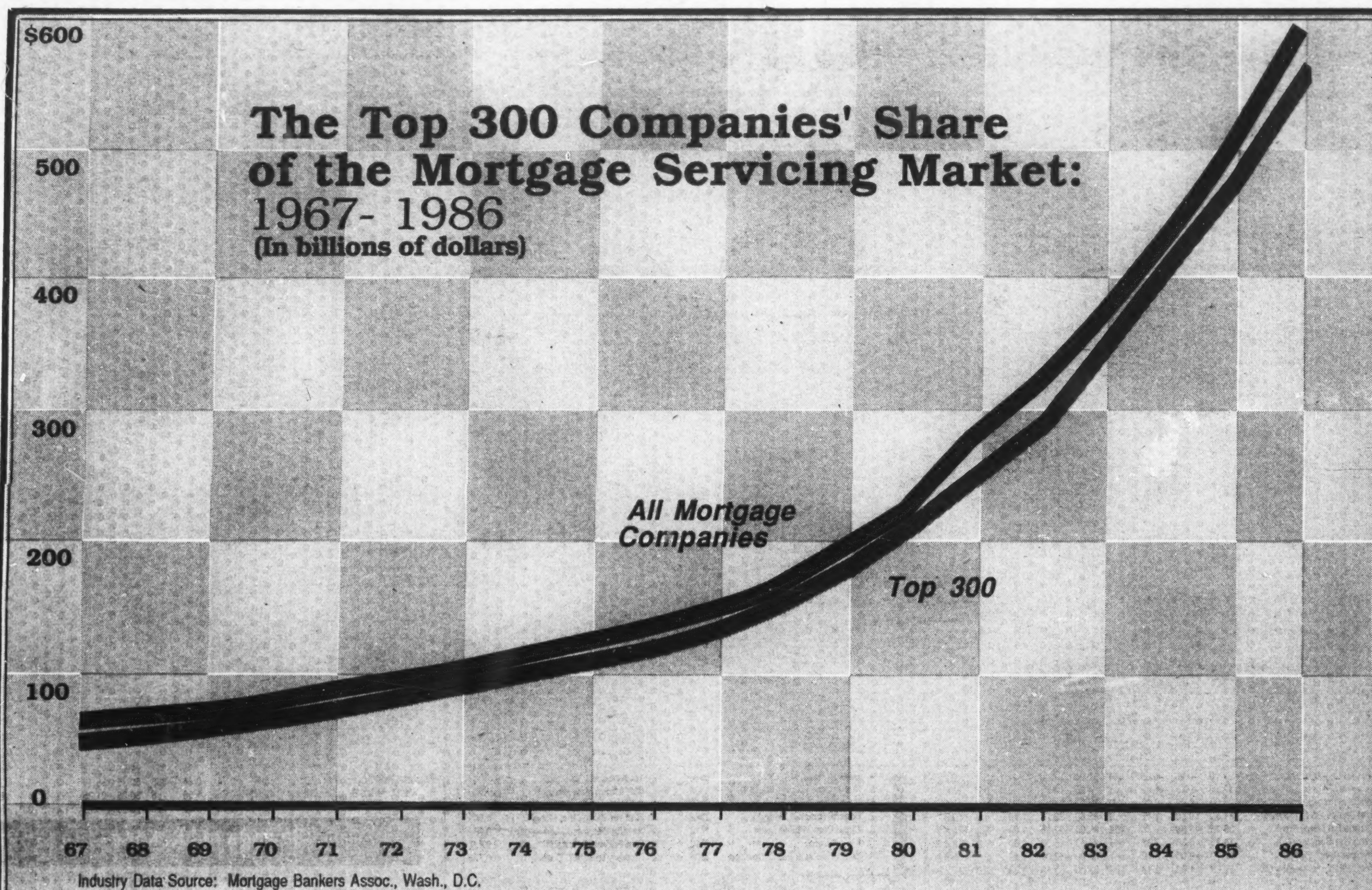
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# American Banker Annual Survey of the Top 300 Mortgage Companies

## 10 Largest Gainers in Servicing Among Top 300 Mortgage Companies

|    | (Dollar Amounts in Millions)                            | Servicing<br>6/30/86 | Servicing<br>6/30/85 | Percent<br>Increase | Serv.<br>Rank |
|----|---------------------------------------------------------|----------------------|----------------------|---------------------|---------------|
| 1  | Boatmen's Mortgage Corp., St. Louis                     | \$204.0              | 10.5                 | 1,841               | 289           |
| 2  | Independence One Mortgage Corp., Southfield, Mich.      | 1,922.5              | 614.2                | 213                 | 78            |
| 3  | MPact Mortgage Bankers, Dallas                          | 597.9                | 215.2                | 178                 | 189           |
| 4  | Sears Mortgage Corp., Lincolnshire, Ill.                | 6,820.1              | 2,708.5              | 152                 | 13            |
| 5  | RepublicBank Mortgage Corp., Dallas                     | 503.4                | 208.0                | 142                 | 207           |
| 6  | Travelers Mortgage Services, Inc., Cherry Hill, N.J.    | 1,721.8              | 728.5                | 136                 | 88            |
| 7  | Ensign Mortgage Co., Atlanta                            | 426.6                | 183.0                | 133                 | 236           |
| 8  | Glenfed Mortgage Corp., Burbank, Calif.                 | 590.6                | 253.5                | 133                 | 192           |
| 9  | BA Mortgage & International Realty Corp., San Francisco | 1,648.0              | 732.2                | 125                 | 93            |
| 10 | Numerica Financial Services, Inc., Clearwater, Fla.     | 840.7                | 388.8                | 116                 | 154           |

## 10 Largest Losers of Servicing Among Top 300 Mortgage Companies

|    | (Dollar Amounts in Millions)                | Servicing<br>6/30/86 | Servicing<br>6/30/85 | Percent<br>Decrease | Serv.<br>Rank |
|----|---------------------------------------------|----------------------|----------------------|---------------------|---------------|
| 1  | Latimer & Buck, Inc., Philadelphia          | 1,111.8              | 2,157.2              | 48                  | 127           |
| 2  | Security Pacific Mortgage Corp., Denver     | 2,466.7              | 4,069.2              | 39                  | 57            |
| 3  | Intercounty Mortgage Corp., Hempstead, N.Y. | 966.0                | 1,546.8              | 38                  | 142           |
| 4  | Midland Mortgage Co., Oklahoma City         | 2,252.5              | 3,549.3              | 37                  | 61            |
| 5  | Unified Mortgage Company, Cupertino, Calif. | 357.0                | 533.0                | 33                  | 250           |
| 6  | FBS Mortgage Corp., St. Paul, Minn.         | 1,811.7              | 2,849.1              | 32                  | 84            |
| 7  | International Mortgage Co., Los Angeles     | 314.9                | 451.9                | 30                  | 260           |
| 8  | Jim Perry & Co., Coconut Grove, Fla.        | 216.8                | 300.0                | 28                  | 286           |
| 9  | Mercantile Mortgage Corp., Baltimore        | 475.0                | 650.0                | 27                  | 217           |
| 10 | Pine State Securities Corp., Tucker, Ga.    | 610.0                | 760.0                | 22                  | 185           |

# Top 300 Mortgage Companies

Based on Volume of Permanent Mortgages Serviced on June 30, 1986

Compiled by American Banker Copyright 1986

|                                                                 | Volume of Mortgages Serviced |                        | Rank<br>6/30/85 | Gain in<br>Rank | No. of Mortgages<br>Serviced<br>6/30/86 | No. of Investors<br>Excluding<br>GNMA Pools | 6/30/86<br>GNMA<br>Pools |
|-----------------------------------------------------------------|------------------------------|------------------------|-----------------|-----------------|-----------------------------------------|---------------------------------------------|--------------------------|
|                                                                 | 6/30/86                      | 6/30/85                |                 |                 |                                         |                                             |                          |
| 1 GMAC Mortgage Co., Philadelphia                               | \$21,761,283,000             | \$19,339,293,000       | 2               | +1              | 355,225                                 | 1,160                                       | 2,147                    |
| 2 Lomas & Nettleton Financial Corp., Dallas                     | 21,299,782,000               | 20,245,241,228         | 1               |                 | 684,736                                 | 1,050                                       | 2,929                    |
| 3 Citicorp Homeowners Services, Inc., St. Louis, Mo.            | 15,023,550,577               | 8,721,409,648          | 6               | +3              | 235,183                                 | 267                                         | 1,638                    |
| 4 Fireman's Fund Mortgage Corp., Farmington Hills, Mich. (a)    | 14,792,230,000               | 14,241,445,000         | 3               |                 | 365,857                                 | 467                                         | 3,588                    |
| 5 Metmor Financial, Inc., Los Angeles                           | 11,655,158,000               | 9,728,718,260          | 4               |                 | 246,686                                 | 620                                         | 2,350                    |
| 6 Commonwealth Mortgage Corp. of America, Houston (b)           | 11,413,223,848               | 7,211,891,444          | 10              | +4              | 227,943                                 | 644                                         | 3,290                    |
| 7 Weyerhaeuser Mortgage Co., Los Angeles                        | 10,754,822,000               | 9,114,850,844          | 5               |                 | 193,366                                 | 481                                         | 2,399                    |
| 8 First Interstate Mortgage Co., Pasadena, Calif.               | 9,117,196,530                | 7,549,516,106          | 8               |                 | 103,797                                 | 604                                         | 642                      |
| 9 Cameron-Brown Co., Charlotte, N.C.                            | 8,889,720,040                | 7,368,613,500          | 9               |                 | 179,210                                 | 410                                         | 1,320                    |
| 10 Fleet Mortgage Corp., Milwaukee, Wis.                        | 8,711,710,904                | 7,867,317,000          | 7               |                 | 263,118                                 | 712                                         | 2,384                    |
| 11 Goldome Realty Credit Corp., Buffalo, N.Y.                   | 8,013,857,400                | 6,645,675,640          | 11              |                 | 152,820                                 | 346                                         | 866                      |
| 12 Sovran Mortgage Corp., Richmond                              | 6,890,000,000                | 6,203,112,992          | 14              | +2              | 162,545                                 | 267                                         | 1,457                    |
| 13 Sears Mortgage Corp., Lincolnshire, Ill. (c)                 | 6,820,070,885                | 2,708,495,000          | 52              | +39             | 130,202                                 | 250                                         | 436                      |
| 14 Chemical Mortgage Corp., Columbus, Ohio                      | 6,779,000,000                | 5,948,897,982          | 17              | +3              | 93,426                                  | 335                                         | 808                      |
| 15 Anchor Mortgage Services, Inc., Wayne, N.J.                  | 6,708,000,000                | 6,600,000,000          | 12              |                 | 146,421                                 | 199                                         | 627                      |
| 16 Alliance Mortgage Co., Jacksonville, Fla.                    | 6,648,540,600                | 5,838,894,942          | 18              | +2              | 129,354                                 | 200                                         | 1,892                    |
| 17 Kissell Co., Springfield, Ohio (d)                           | 6,612,935,000                | 6,549,787,000          | 13              |                 | 214,591                                 | 454                                         | 1,023                    |
| 18 Bright Mortgage Co., Dallas                                  | 6,200,000,000                | 4,447,700,000          | 26              | +8              | 149,000                                 | 200                                         | 1                        |
| 19 Imco Realty Services Inc., Santa Rosa, Calif.                | 6,135,721,000                | 6,057,396,342          | 16              |                 | 126,509                                 | 418                                         | 376                      |
| 20 BancPlus Mortgage Corp., San Antonio, Tex.                   | 6,080,744,692                | 6,105,091,125          | 15              |                 | 140,403                                 | 228                                         | 1,977                    |
| 21 Talman Home Mortgage Corp., Chicago                          | 5,599,172,851                | 5,143,491,377          | 20              |                 | 148,574                                 | 204                                         | 473                      |
| 22 Empire of America Realty Credit Corp., Buffalo, N.Y.         | 5,517,000,000                | 2,700,000,000          | 53r             | +31             | 127,099                                 | 204                                         | 231                      |
| 23 Stockton, Whatley, Davin & Co., Jacksonville, Fla.           | 5,324,368,000                | 5,036,651,000          | 22              |                 | 139,700                                 | 300                                         | 674                      |
| 24 Shearson Lehman Mortgage Corp., Irvine, Calif.               | 5,234,424,857                | 4,695,939,690          | 24              |                 | 95,916                                  | 452                                         | 1,087                    |
| 25 Colwell Financial Corp., Los Angeles                         | 5,123,071,917                | 5,075,545,416          | 21              |                 | 171,276                                 | 375                                         | 2,282                    |
| 26 Waterfield Mortgage Co., Inc., Fort Wayne, Ind.              | 5,100,134,450                | 4,100,000,000          | 28              | +2              | 134,450                                 | 162                                         | 740                      |
| 27 Bowest Corp., La Jolla, Calif.                               | 4,997,306,521                | 5,172,349,899          | 19              |                 | 95,553                                  | 410                                         | 568                      |
| 28 New York Guardian Mortgage Corp., Hempstead, N.Y.            | 4,852,849,651                | 4,607,409,720          | 25              |                 | 106,280                                 | 21                                          | 14,915                   |
| 29 Fleet Real Estate Funding Corp., Columbia, S.C.              | 4,769,757,225                | 3,845,574,000          | 31              | +2              | 129,801                                 | 241                                         | 1,032                    |
| 30 Rainier Financial Services Co., Seattle                      | 4,470,664,055                | 4,388,264,773          | 27              |                 | 87,923                                  | 154                                         | 1,040                    |
| 31 Knutson Mortgage Corp., Bloomington, Minn.                   | 4,412,602,032                | 2,968,632,204          | 43              | +12             | 76,697                                  | 170                                         | 765                      |
| 32 Pacific First Mortgage Corp., Walnut Creek, Calif.           | 4,308,397,398                | 4,950,272,000          | 23              |                 | 102,396                                 | 168                                         | 641                      |
| 33 Reilly Mortgage Group, Inc., Washington, D.C.                | 4,155,767,573                | 3,804,090,595          | 32              |                 | 1,272                                   | 63                                          | 5                        |
| 34 J.I. Kislak Mortgage Service Corp., Miami                    | 4,148,000,000                | 3,717,320,521          | 33              |                 | 136,000                                 | 219                                         | 397                      |
| 35 Mellon Financial Services Corp. #8, Cleveland                | 3,991,286,000                | 2,853,542,000          | 45              | +10             | 78,488                                  | 278                                         | 1,003                    |
| 36 Lincoln Service Corp., Owensboro, Ky.                        | 3,943,508,580                | 3,288,879,348          | 38              | +2              | 63,733                                  | 130                                         | 729                      |
| 37 Mortgage & Trust, Inc., Houston                              | 3,921,170,162                | 3,389,790,272          | 37              |                 | 90,740                                  | 346                                         | 1,240                    |
| 38 Troy & Nichols, Inc., Monroe, La.                            | 3,910,726,700                | 2,900,235,957          | 44              | +6              | 118,046                                 | 356                                         | 961                      |
| 39 B.F. Saul Co., Chevy Chase, Md.                              | 3,886,787,589                | 3,418,593,076          | 36              |                 | 27,679                                  | 78                                          | 178                      |
| 40 Southeast Mortgage Co., Miami                                | 3,846,100,000                | 3,872,664,682          | 30              |                 | 58,561                                  | 349                                         | 545                      |
| 41 Seafirst Mortgage Corp., Seattle                             | 3,833,000,000                | 3,682,704,000          | 34              |                 | 69,500                                  | 349                                         | 147                      |
| 42 Paine Webber Mortgage Finance, Inc., Columbia, Md. (e)       | 3,269,730,392                | 2,717,427,877          | 50              | +8              | 31,410                                  | 79                                          | 551                      |
| 43 Coldwell Banker Real Estate Fin. Ser., Newport Beach, Calif. | 3,186,815,972                | 2,812,277,952          | 47              | +4              | 5,865                                   | 17                                          | 0                        |
| 44 Merrill Lynch Mortgage Corp., Stamford, Conn. (f)            | 3,179,400,000                | 2,979,889,830          | 42              |                 | 83,603                                  | 123                                         | 487                      |
| 45 Meritor Mortgage Corp.-West, Orange, Calif.                  | 3,132,992,000                | 3,184,905,940          | 39              |                 | 55,503                                  | 190                                         | 430                      |
| 46 Chase Home Mortgage Corp., Montvale, N.J.                    | 3,129,782,000                | 2,465,391,000          | 57              | +11             | 68,336                                  | 54                                          | 251                      |
| 47 Lumbermen's Investment Corp., Austin, Tex.                   | 3,085,912,701                | 2,717,346,004          | 51              | +4              | 86,629                                  | 203                                         | 733                      |
| 48 Crocker Mortgage Co., Inc., San Diego, Calif.                | 3,021,525,851                | 3,128,000,000          | 41              |                 | 51,306                                  | 43                                          | 2                        |
| 49 ICM Mortgage Corp., Englewood, Colo.                         | 2,857,212,000                | 2,651,000,000          | 53              | +4              | 42,141                                  | 20                                          | 1,074                    |
| 50 Meritor Mortgage Corp.-East, Philadelphia                    | 2,850,935,006                | 2,460,292,313          | 58              | +8              | 84,519                                  | 356                                         | 319                      |
| 51 Countrywide Funding Corp., Inc., Pasadena, Calif.            | 2,669,270,848                | 1,254,000,000          | 106             | +55             | 44,396                                  | 75                                          | 436                      |
| 52 Equitable Mortgage Resource Inc., Clearwater, Fla.           | 2,620,977,057                | 2,636,753,799          | 55              | +3              | 72,247                                  | 124                                         | 705                      |
| 53 Foster Mortgage Corp., Fort Worth, Tex.                      | 2,609,163,000                | 2,789,700,000          | 48              |                 | 37,075                                  | 248                                         | 150                      |
| 54 Mortgage Investment Co. of El Paso, Tex.                     | 2,600,000,000                | 2,746,583,611          | 49              |                 | 66,000                                  | 170                                         | 300                      |
| 55 Barnett Mortgage Company, Jacksonville, Fla.                 | 2,496,558,950                | 1,803,827,086          | 73              | +18             | 54,703                                  | 154                                         | 324                      |
| 56 Dorman & Wilson, Inc., White Plains, N.Y.                    | 2,482,885,000                | 1,649,387,000          | 81              | +25             | 1,521                                   | 16                                          | 0                        |
| 57 Security Pacific Mortgage Corp., Denver                      | 2,466,711,188                | 4,069,154,000          | 29              |                 | 48,245                                  | 365                                         | 762                      |
| 58 North American Mortgage Co., Houston                         | 2,377,953,304                | 2,361,720,336          | 59              | +1              | 30,279                                  | 350                                         | 175                      |
| 59 Gildom Mortgage Midwest Corp., Schaumburg, Ill.              | 2,336,022,891                | 2,306,017,892          | 60              | +1              | 67,877                                  | 232                                         | 369                      |
| 60 ARCS Mortgage, Inc., Canoga Park, Calif.                     | 2,261,485,160                | 1,890,239,732          | 71              | +11             | 41,895                                  | 83                                          | 408                      |
| 61 Midland Mortgage Co., Oklahoma City                          | 2,252,531,959                | 3,549,314,756          | 35              |                 | 92,903                                  | 167                                         | 399                      |
| 62 Old Stone Mortgage Corp., Seattle                            | 2,249,646,000                | 2,193,057,071          | 61              |                 | 61,785                                  | 295                                         | 491                      |
| 63 United Virginia Mortgage Corp., Richmond                     | 2,224,702,000                | 1,990,123,000          | 64              | +1              | 57,981                                  | 298                                         | 426                      |
| 64 Citicorp Real Estate Inc., New York                          | 2,200,000,000                | 2,522,000,000          | 56              |                 | 1,100                                   | 93                                          | 56                       |
| 65 AmSouth Mortgage Co., Inc., Birmingham, Ala.                 | 2,193,093,887                | 1,950,092,009          | 65              |                 | 63,584                                  | 269                                         | 851                      |
| 66 First Wachovia Mortgage Co., Winston-Salem, N.C.             | 2,170,622,307                | 2,117,430,606          | 63              |                 | 49,050                                  | 138                                         | 385                      |
| 67 Margaretten & Company, Inc., Perth Amboy, N.J.               | 2,143,000,000                | 1,713,000,000          | 78              | +11             | 39,490                                  | 67                                          | 404                      |
| 68 Mortgage Corporation of the South, Birmingham, Ala.          | 2,141,525,512                | 1,909,880,943          | 68              |                 | 75,091                                  | 294                                         | 544                      |
| 69 Charles F. Curry & Co., Kansas City, Mo.                     | 2,120,000,000                | 1,900,000,000          | 69              |                 | 55,000                                  | 41                                          | 997                      |
| 70 U.S. Bancorp Mortgage Co., Portland, Ore.                    | 2,080,737,720                | 1,607,293,204          | 84              | +14             | 44,268                                  | 195                                         | 439                      |
| 71 National Mortgage Co., Memphis, Tenn.                        | 2,056,841,861                | 1,713,639,000          | 77              | +6              | 76,306                                  | 92                                          | 427                      |
| 72 Ryan Financial Services, Inc., Pittsburgh                    | 2,042,718,361                | 1,941,798,850          | 66              |                 | 37,128                                  | 84                                          | 627                      |
| 73 American General Mortgage Corp., Houston                     | 2,029,017,587                | 1,743,314,088          | 76              | +3              | 16,283                                  | 53                                          | 5                        |
| 74 Mellon Financial Services Corp. #7, Metairie, La.            | 1,996,346,020                | 1,444,723,666          | 94              | +20             | 40,262                                  | 59                                          | 623                      |
| 75 Collateral Investment Co., Birmingham, Ala.                  | 1,992,804,749                | 1,873,262,355          | 72              |                 | 64,672                                  | 106                                         | 511                      |
| 76 Murray Mortgage Co., Dallas                                  | 1,949,503,359                | 1,662,007,441          | 80              | +4              | 42,246                                  | 225                                         | 355                      |
| 77 CalFed Mortgage Co., Los Angeles                             | 1,925,706,325                | 1,790,391,000          | 74              |                 | 27,360                                  | 51                                          | 262                      |
| 78 Independence One Mortgage Corp., Southfield, Mich.           | 1,922,482,493                | 614,186,954            | 171             | +93             | 52,964                                  | 210                                         | 188                      |
| 79 Standard Mortgage Corp., New Orleans, La.                    | 1,920,000,000                | 1,704,844,000          | 79              |                 | 24,670                                  | 111                                         | 121                      |
| 80 NBD Mortgage Co., Troy, Mich.                                | 1,919,100,629                | 1,574,809,267          | 88              | +8              | 64,258                                  | 130                                         | 251                      |
| 81 Shawmut Mortgage Corp., Dayton, Ohio (g)                     | 1,914,283,198                | 1,415,361,608          | 95              | +14             | 49,528                                  | 85                                          | 413                      |
| 82 Genstar Mortgage Corp., Glendale, Calif.                     | 1,876,063,000                | 1,934,184,000          | 67              |                 | 60,026                                  | 149                                         | 192                      |
| 83 American Mortgage Co., Houston                               | 1,840,461,064                | 1,764,390,260          | 75              |                 | 34,239                                  | 181                                         | 382                      |
| 84 FBS Mortgage Corp., St. Paul, Minn.                          | 1,811,709,000                | 2,649,115,000          | 54              |                 | 39,207                                  | 226                                         | 465                      |
| 85 Ryan Mortgage Co., Arlington, Tex.                           | 1,790,718,000                | 1,608,190,532          | 83              |                 | 26,385                                  | 136                                         | 187                      |
| 86 Western Mortgage Loan Corp., Ogden, Utah                     | 1,764,389,821                | 1,461,859,702          | 92              | +6              | 29,029                                  | 39                                          | 695                      |
| 87 Cenlar Capital Corp., Pennir. Jton, N.J.                     | 1,729,468,379                | 987,983,466            | 126             | +39             | 39,301                                  | 250                                         | 420                      |
| 88 Travelers Mortgage Services, Inc., Cherry Hill, N.J.         | 1,721,820,685                | 728,494,189            | 149             | +61             | 23,321                                  | 37                                          | 0                        |
| 89 Guild Mortgage Co., San Diego, Calif.                        | 1,709,866,649                | 1,896,697,120          | 70              |                 | 28,559                                  | 89                                          | 443                      |
| 90 Nowlin Mortgage Co., Fort Worth, Tex.                        | 1,706,041,000                | 1,586,023,000          | 86              |                 | 25,437                                  | 287                                         | 224                      |
| 91 Real Estate Financing, Inc., Montgomery                      | 1,686,817,041                | 1,611,131,000          | 82              |                 | 42,051                                  | 173                                         | 426                      |
| 92 Citizens & Southern Commercial Corp., Tucker, Ga.            | 1,655,784,000                | 1,301,446,826          | 102             | +10             | 35,522                                  | 171                                         | 284                      |
| 93 BA Mortgage & International Realty Corp., San Francisco      | 1,647,998,000                | 732,172,000            | 148             | +55             | 2,509                                   | 71                                          | 1                        |
| 94 Meritor Mortgage Corp.-Central, St. Paul, Minn.              | 1,646,537,182                | 1,458,000,000          | 93              |                 | 40,036                                  | 200                                         | 448                      |
| 95 American Fletcher Mortgage Co., Inc., Indianapolis           | 1,619,041,956                | 1,238,559,432          | 107             | +12             | 35,777                                  | 145                                         | 128                      |
| 96 RIHT Mortgage Corp., Charlotte, N.C.                         | 1,601,682,122                | 1,495,199,000          | 91              |                 | 31,236                                  | 69                                          | 473                      |
| 97 CFS Mortgage Corp., Omaha, Neb.                              | 1,581,840,050                | 1,315,505,363          | 99              | +2              | 37,575                                  | 29                                          | 150                      |
| 98 Federated Financial Corp., Atlanta                           | 1,560,895,779                | 1,370,563,510          | 97              |                 | 27,545                                  | 50                                          | 796                      |
| 99 Colonial Mortgage Co., Montgomery, Ala.                      | 1,556,888,857                | 1,162,602,663          | 110             | +11             | 46,700                                  | 148                                         | 574                      |
| 100 Firstier Mortgage Co., Omaha, Neb.                          | 1,531,909,400                | 1,045,434,041          | 121             | +21             | 26,127                                  | 61                                          | 346                      |
| <b>TOTALS FOR TOP 100†</b>                                      | <b>423,773,571,309</b>       | <b>367,007,292,877</b> |                 |                 | <b>9,000,137</b>                        | <b>22,749</b>                               | <b>84,688</b>            |

This listing is based on permanent real estate mortgages serviced for investors. Mortgages owned by an institution, as well as forward commitments, home improvement loans, and all temporary financing such as construction loans and development loans are excluded. (a)—Formerly Manufacturers Hanover Mortgage Corp. Fireman's Fund Corp., Novato, Calif. acquired the company from Manufacturers Hanover Corp., New York, and changed its name effective June 30, 1986. (b)—Formerly Commonwealth Mortgage Corp. Changed title in the first half of 1986 and now includes Commonwealth Western Mortgage Corp., Portland, Ore. (formerly General Electric Mortgage Corp.) in its figures. (c)—Formerly Allstate Enterprises Mortgage Corp. Changed title on May 1, 1986. (d)—Acquired by CityFed Financial Corp., Bedminster, N.J. from PNC Financial Corp., Pitts-

burgh, on June 1. (e)—Purchased Rotan Mosle Mortgage Co., Houston, in April 1985. Rotan Mosle was servicing \$258 million for investors on 6/30/85, to rank 261st among the top 300 firms on that date. (f)—In process of being acquired by Glendale Federal Savings & Loan Association, Calif. from Merrill Lynch & Co., Inc., New York. (g)—Formerly North Central Financial Corp. Changed name on June 1, 1986. (h)—Based on data received after publication last year. This is the rank the company would have had if data were available. (i)—Servicing volume for 6/30/85 is for the top 100 firms on 6/30/86. N.A.—Not Available.

# Top 300 Mortgage Companies

Based on Volume of Permanent Mortgages Serviced on June 30, 1986

Compiled by American Banker Copyright 1986

|                                                              | Volume of Mortgages Serviced |                 | Rank<br>6/30/85 | Gain in<br>Rank | No. of Mortgages<br>Serviced<br>6/30/86 | No. of Investors<br>Excluding<br>GNMA Pools | 6/30/86<br>GNMA<br>Pools |
|--------------------------------------------------------------|------------------------------|-----------------|-----------------|-----------------|-----------------------------------------|---------------------------------------------|--------------------------|
|                                                              | 6/30/86                      | 6/30/85         |                 |                 |                                         |                                             |                          |
| 101 Fidelity Bond & Mortgage Co., Philadelphia (a)           | 1,512,903,377                | 1,081,332,893   | 118             | +17             | 43,282                                  | 112                                         | 33                       |
| 102 York Associates, Inc., Washington, D.C.                  | 1,452,000,000                | 807,267,600     | 141             | +39             | 1,134                                   | 5                                           | 177                      |
| 103 L.J. Melody & Co., Houston                               | 1,430,544,973                | 1,329,304,909   | 98              |                 | 165                                     | 8                                           | 0                        |
| 104 DRG Funding Corp., Washington, D.C.                      | 1,426,411,165                | N.A.            | ...             |                 | 407                                     | 8                                           | 301                      |
| 105 Wallace Moir Co., Beverly Hills, Calif.                  | 1,422,827,497                | 1,054,119,383   | 120             | +15             | 1,397                                   | 10                                          | 0                        |
| 106 California Mortgage Service, Santa Ana                   | 1,402,093,048                | 1,400,354,030   | 96              |                 | 39,156                                  | 71                                          | 426                      |
| 107 Draper & Kramer, Inc., Chicago                           | 1,348,617,493                | 1,224,489,016   | 108             | +1              | 10,449                                  | 41                                          | 206                      |
| 108 WestAmerica Mortgage Co., Denver                         | 1,309,586,438                | 1,313,200,169   | 100             |                 | 23,216                                  | 125                                         | 371                      |
| 109 Security Savings Mortgage Corp., North Canton, Ohio      | 1,306,525,573                | 1,295,525,663   | 103             |                 | 42,140                                  | 102                                         | 55                       |
| 110 Weaver Bros., Inc., Chevy Chase, Md.                     | 1,274,819,000                | 1,530,848,000   | 90              |                 | 24,473                                  | 45                                          | 326                      |
| 111 Dominion Bankshares Mortgage Corp., Fairfax, Va.         | 1,248,726,540                | 1,120,017,994   | 113             | +2              | 29,562                                  | 63                                          | 221                      |
| 112 Trust Company Mortgage, Atlanta                          | 1,228,214,000                | 1,087,104,142   | 117             | +5              | 26,299                                  | 126                                         | 198                      |
| 113 Criterion Financial Corp., Dallas                        | 1,214,232,786                | 636,845,000     | 164             | +51             | 17,389                                  | 83                                          | 364                      |
| 114 Sunbelt National Mortgage Corp., Dallas                  | 1,210,434,103                | 1,060,243,484   | 119             | +5              | 18,474                                  | 115                                         | 140                      |
| 115 IntraWest Mortgage Co., Denver                           | 1,208,609,545                | 1,275,488,000   | 104             |                 | 18,317                                  | 185                                         | 217                      |
| 116 United Mortgage Corp., Minneapolis                       | 1,208,270,012                | 590,492,403     | 176             | +60             | 21,454                                  | 32                                          | 203                      |
| 117 ICA Mortgage Corp., Sacramento, Calif. (b)               | 1,185,150,591                | 1,312,844,413   | 101             |                 | 24,652                                  | 31                                          | 510                      |
| 118 Continental, Inc., Seattle                               | 1,184,872,984                | 1,025,427,658   | 123             | +5              | 21,154                                  | 63                                          | 372                      |
| 119 Rothschild Financial Corp., St. Paul, Minn.              | 1,182,000,000                | 929,197,000     | 129             | +10             | 26,900                                  | 200                                         | 165                      |
| 120 Indiana Mortgage Corp., Indianapolis                     | 1,167,544,714                | 900,000,000     | 134*            | +14             | 22,699                                  | 110                                         | 103                      |
| 121 Valley National Mortgage Co., Phoenix, Ariz.             | 1,155,174,754                | 1,224,087,881   | 109             |                 | 29,701                                  | 70                                          | 389                      |
| 122 Midlantic Home Mortgage Corp., Melville, N.Y.            | 1,154,477,387                | 867,671,395     | 136             | +14             | 22,007                                  | 59                                          | 324                      |
| 123 Directors Mortgage Loan Corp., Riverside, Calif.         | 1,139,522,982                | 627,079,105     | 166             | +43             | 15,789                                  | 30                                          | 358                      |
| 124 First Atlanta Mortgage Corp.                             | 1,132,263,275                | 1,142,566,788   | 111             |                 | 33,775                                  | 92                                          | 353                      |
| 125 Walker & Dunlop, Inc., Washington, D.C.                  | 1,118,543,438                | 916,535,000     | 131             | +6              | 277                                     | 25                                          | 3                        |
| 126 PaineWebber Housing & Healthcare Funding, Inc., New York | 1,117,065,233                | 910,386,748     | 133             | +7              | 38                                      | 1                                           | 28                       |
| 127 Latimer & Buck, Inc., Philadelphia                       | 1,111,790,176                | 2,157,178,386   | 62              |                 | 700                                     | 34                                          | 0                        |
| 128 Peoples Mortgage Co., Seattle                            | 1,103,925,000                | 1,263,896,178   | 105             |                 | 29,240                                  | 72                                          | 263                      |
| 129 Banc One Mortgage Corp., Columbus, Ohio                  | 1,100,000,000                | 1,123,956,677   | 112             |                 | 32,000                                  | 66                                          | 107                      |
| 130 CentTrust Mortgage Corp., Deerfield Beach, Fla.          | 1,089,501,000                | 967,165,000     | 128             |                 | 18,010                                  | 160                                         | 74                       |
| 131 Sunbank Mortgage Co., Orlando, Fla.                      | 1,085,280,000                | 911,316,000     | 132             | +1              | 28,085                                  | 103                                         | 10                       |
| 132 Liberty Mortgage Co., Oklahoma City                      | 1,067,945,656                | 1,100,661,758   | 115             |                 | 17,350                                  | 94                                          | 147                      |
| 133 Gulf Coast Investment Corp., Houston                     | 1,066,455,000                | 823,962,328     | 140             | +7              | 31,474                                  | 117                                         | 436                      |
| 134 Gershman Investment Corp., St. Louis, Mo.                | 1,065,556,395                | 756,207,456     | 145             | +11             | 23,767                                  | 107                                         | 208                      |
| 135 Molton, Allen & Williams, Inc., Birmingham, Ala.         | 1,048,826,753                | 1,030,766,613   | 122             |                 | 25,136                                  | 153                                         | 201                      |
| 136 South Coast Mortgage Co., San Antonio, Tex.              | 1,040,000,000                | 1,090,593,138   | 116             |                 | 22,203                                  | 286                                         | 171                      |
| 137 W. Ross Campbell Co., Los Angeles                        | 1,030,886,006                | 703,418,655     | 152             | +15             | 91                                      | 4                                           | 0                        |
| 138 Freedom Mortgage Company, Tampa, Fla.                    | 1,017,522,677                | 1,083,629,000   | 118             |                 | 24,759                                  | 54                                          | 83                       |
| 139 Pan American Mortgage Corp., Miami                       | 996,492,633                  | 605,116,094     | 174             | +35             | 29,306                                  | 0                                           | 0                        |
| 140 Hinton Mortgage & Investment Co., Dallas                 | 995,549,988                  | 988,151,667     | 125             |                 | 19,876                                  | 104                                         | 555                      |
| 141 H.S. Pickrell Co., Phoenix, Ariz.                        | 969,532,259                  | 917,272,356     | 130             |                 | 13,595                                  | 57                                          | 315                      |
| 142 Intercounty Mortgage Corp., Hempstead, N.Y.              | 966,000,000                  | 1,546,800,000   | 89              |                 | 11,651                                  | 42                                          | 147                      |
| 143 BancBoston Mortgage Corp., Wellesley Hills, Mass.        | 962,964,430                  | 746,993,352     | 146             | +3              | 17,314                                  | 24                                          | 14                       |
| 144 Western American Financial Corp., Phoenix, Ariz.         | 935,765,362                  | 887,556,955     | 135             |                 | 22,638                                  | 50                                          | 127                      |
| 145 Mason-McDuffie Financial Corp., Orinda, Calif.           | 932,798,340                  | 700,722,875     | 154             | +9              | 410                                     | 16                                          | 1                        |
| 146 Embarque Capital Corp., Carle Place, N.Y.                | 917,024,872                  | 600,000,000     | 175             | +29             | 17,995                                  | 48                                          | 573                      |
| 147 Connecticut National Mortgage Co., West Hartford         | 894,633,328                  | 701,972,914     | 153             | +6              | 21,607                                  | 78                                          | 0                        |
| 148 Bancwest Mortgage Corp., Phoenix, Ariz.                  | 890,349,056                  | 834,607,997     | 139             |                 | 18,312                                  | 65                                          | 62                       |
| 149 New York Urban Servicing Co., Inc.                       | 879,346,395                  | 742,378,525     | 147             |                 | 259                                     | 5                                           | 1                        |
| 150 Globe Mortgage Co., Hackensack, N.J.                     | 877,820,650                  | 761,000,000     | 143             |                 | 12,302                                  | 95                                          | 121                      |
| 151 Deposit Guaranty Mortgage Co., Jackson, Miss.            | 866,300,000                  | 672,690,439     | 159             | +8              | 26,255                                  | 53                                          | 243                      |
| 152 U.S. Home Mortgage Corp., Clearwater, Fla.               | 852,900,000                  | 1,003,000,000   | 124             |                 | 17,397                                  | 39                                          | 216                      |
| 153 Universal Mortgage Corp., Milwaukee, Wis.                | 841,997,388                  | 866,236,931     | 137             |                 | 23,487                                  | 79                                          | 439                      |
| 154 Numerica Financial Services, Inc., Clearwater, Fla.      | 840,664,272                  | 388,766,556     | 225             | +71             | 18,450                                  | 32                                          | 301                      |
| 155 Georgia Co., Columbus                                    | 838,190,750                  | 846,622,212     | 138             |                 | 29,240                                  | 37                                          | 341                      |
| 156 Robert C. Wilson Co., Houston                            | 828,000,000                  | 728,289,705     | 150             |                 | 605                                     | 10                                          | 1                        |
| 157 Sibley Corp., Rochester, N.Y.                            | 812,423,597                  | 649,323,960     | 163             | +6              | 17,840                                  | 54                                          | 332                      |
| 158 Washington Mortgage Corp., Seattle                       | 790,267,434                  | 694,636,067     | 156             |                 | 4,195                                   | 64                                          | 6                        |
| 159 W. Lyman Case & Co., Columbus, Ohio                      | 785,523,390                  | 660,769,000     | 160             | +1              | 288                                     | 15                                          | 0                        |
| 160 Boston Mortgage Co., Inc.                                | 777,204,059                  | N.A.            | ...             |                 | 172                                     | 7                                           | 0                        |
| 161 First California Mortgage Co., San Rafael, Calif.        | 772,000,000                  | 559,000,000     | 180             | +19             | 8,810                                   | 80                                          | 101                      |
| 162 Barclays American/Mortgage Corp., Charlotte, N.C. (c)    | 766,031,000                  | .....           | ...             |                 | 19,785                                  | 48                                          | 318                      |
| 163 Honolulu Mortgage Co., Inc.                              | 758,137,574                  | 689,845,236     | 158             |                 | 10,512                                  | 65                                          | 204                      |
| 164 Southwest Mortgage Co., Albuquerque, N.M.                | 756,432,920                  | 623,356,967     | 168             | +4              | 15,449                                  | 90                                          | 249                      |
| 165 Standard Mortgage Corp. of Georgia, Atlanta              | 750,000,000                  | 659,860,000     | 161             |                 | 5,900                                   | 47                                          | 1                        |
| 166 Investors Residential Mortgage Corp., Austin, Tex.       | 747,000,000                  | 722,629,800     | 151             |                 | 15,400                                  | 193                                         | 127                      |
| 167 E.B. Mortgage Corp., Towson, Md.                         | 737,242,343                  | 501,911,464     | 191             | +24             | 15,057                                  | 39                                          | 56                       |
| 168 Firstbank Mortgage Co., Springfield, Ill.                | 729,642,710                  | 351,789,406     | 236             | +68             | 17,664                                  | 27                                          | 302                      |
| 169 Bailey Mortgage Co., Jackson, Miss.                      | 716,405,418                  | 617,798,989     | 169             |                 | 28,056                                  | 100                                         | 259                      |
| 170 Fidelity Investment Co., Wichita, Kan.                   | 710,684,000                  | 335,000,000     | 240             | +70             | 21,585                                  | 47                                          | 74                       |
| 171 SCN Mortgage Corp., Columbia, S.C.                       | 703,666,260                  | 691,413,456     | 157             |                 | 17,548                                  | 155                                         | 177                      |
| 172 Commodore Financial Services Corp., Dallas               | 701,770,798                  | 700,000,000     | 155             |                 | 38,183                                  | 59                                          | 345                      |
| 173 GN Mortgage Co., Canoga Park, Calif.                     | 684,639,000                  | 330,945,448     | 241             | +68             | 7,357                                   | 28                                          | 0                        |
| 174 Dale Funding Corp., Hempstead, N.Y.                      | 684,000,000                  | 587,460,000     | 177             | +3              | 13,880                                  | 24                                          | 223                      |
| 175 Dickinson, Logan, Todd & Barber, Inc., Raleigh, N.C.     | 674,063,072                  | 481,649,237     | 194             | +19             | 415                                     | 7                                           | 1                        |
| 176 BancOhio Mortgage Co., Columbus                          | 669,743,819                  | 547,756,021     | 181             | +5              | 20,310                                  | 11                                          | 0                        |
| 177 Cowger & Miller Mortgage Co. Inc., Louisville, Ky.       | 668,033,118                  | 517,400,000     | 187             | +10             | 16,632                                  | 61                                          | 88                       |
| 178 Corinthian Mortgage Corp., Shawnee Mission, Kan. (d)     | 660,000,000                  | .....           | ...             |                 | 13,000                                  | 10                                          | 150                      |
| 179 Drew Mortgage Co., Houston                               | 647,630,597                  | 605,173,959     | 173             |                 | 14,394                                  | 116                                         | 145                      |
| 180 Home Mortgage Co. of El Paso, Tex.                       | 644,000,000                  | 476,000,000     | 196             | +16             | 16,534                                  | 45                                          | 244                      |
| 181 Citizens & Southern Mortgage Corp. of Florida, Tampa (e) | 629,753,032                  | 500,302,889     | 192             | +11             | 16,585                                  | 108                                         | 3                        |
| 182 Colorado National Mortgage Co., Denver                   | 621,457,610                  | 633,832,693     | 165             |                 | 10,589                                  | 259                                         | 15                       |
| 183 Investor's Mortgage Service Co., Burbank, Calif.         | 616,033,429                  | 654,957,813     | 161             |                 | 17,742                                  | 94                                          | 2                        |
| 184 Residential Financial Corp., Wayne, N.J.                 | 615,470,894                  | 427,320,459     | 211             | +27             | 10,642                                  | 50                                          | 14                       |
| 185 Pine State Securities Corp., Tucker, Ga.                 | 610,000,000                  | 780,000,000     | 142             |                 | 11,217                                  | 99                                          | 131                      |
| 186 Sheahan Financial Co., Clayton, Mo.                      | 610,000,000                  | 539,000,000     | 184             |                 | 18,114                                  | 84                                          | 73                       |
| 187 First Investment Co., Columbus, Ohio                     | 604,302,908                  | 545,005,235     | 182             |                 | 22,436                                  | 67                                          | 285                      |
| 188 Holland Mortgage & Investment Corp., Houston             | 600,884,255                  | 616,056,834     | 170             |                 | 10,944                                  | 182                                         | 0                        |
| 189 MPact Mortgage Bankers, Dallas                           | 597,891,879                  | 215,200,981     | 272             | +83             | 7,826                                   | 60                                          | 55                       |
| 190 Leader Mortgage Co., Cleveland                           | 597,850,000                  | 626,000,000     | 167             |                 | 39,304                                  | 80                                          | 124                      |
| 191 Wye Mortgage Corp., Baltimore                            | 590,814,979                  | 611,551,711     | 172             |                 | 2,399                                   | 21                                          | 4                        |
| 192 Glenfed Mortgage Corp., Burbank, Calif.                  | 590,574,629                  | 253,493,866     | 262             | +70             | 8,403                                   | 2                                           | 57                       |
| 193 First of America Mortgage Co., Kalamazoo, Mich.          | 575,060,184                  | 405,000,000     | 221             | +28             | 20,135                                  | 65                                          | 0                        |
| 194 Hammond Co., Newport Beach, Calif.                       | 568,978,000                  | 521,000,000     | 186             |                 | 6,349                                   | 42                                          | 49                       |
| 195 U.S. Mortgage Corp., Westmont, N.J.                      | 550,000,000                  | 309,036,455     | 245             | +50             | 9,800                                   | 0                                           | 0                        |
| 196 Premier Mortgage Co., Baton Rouge, La. (f)               | 546,870,659                  | .....           | ...             |                 | 9,998                                   | 67                                          | 16                       |
| 197 PB Mortgage Corp., Haddonfield, N.J. (g)                 | 540,543,910                  | 586,896,537     | 178             |                 | 10,779                                  | 104                                         | 3                        |
| 198 Missouri Valley Investment Co., Prairie Village, Kan.    | 539,000,000                  | 455,296,288     | 201             | +3              | 12,500                                  | 87                                          | 66                       |
| 199 Cauble & Co., Atlanta                                    | 527,000,000                  | 420,000,000     | 216             | +17             | 205                                     | 6                                           | 0                        |
| 200 SouthTrust Mortgage Corp., Birmingham, Ala.              | 511,908,449                  | 318,828,696     | 242             | +42             | 10,817                                  | 45                                          | 145                      |
| TOTALS FOR 2ND 100*                                          | 90,846,385,220               | 75,635,857,908  |                 |                 | 1,662,870                               | 6,810                                       | 15,444                   |
| TOTALS FOR TOP 200†                                          | 514,619,956,529              | 442,643,150,785 |                 |                 | 10,663,007                              | 29,559                                      | 100,132                  |

This listing is based on permanent real estate mortgages serviced for investors. Mortgages owned by an institution, as well as forward commitments, home improvement loans, and all temporary financing such as construction loans and development loans are excluded. (a)—On Oct. 1, the company was acquired by Raritan Valley Savings and Loan Association, East Brunswick, N.J. from Fidelity Corp., Philadelphia. (b)—Formerly known as Westland Mortgage Service Co. (c)—A subsidiary of Barclays American Corp., Charlotte. Barclays American acquired Northwestern Mortgage Corp., Charlotte, on Nov. 1, 1985. Northwestern Mortgage had a \$650 million servicing portfolio. (d)—A subsidiary of Fidelity Federal Savings Bank, Corinth,

Miss. Fidelity acquired the servicing portfolio of Commercial Credit Mortgage Co., Baltimore, in Oct. 1985. Commercial Credit Mortgage had a \$758 million servicing portfolio on 6/30/85, to rank 144th among the top 300 firms on that date. (e)—Formerly known as Landmark Mortgage Corp. (f)—A newly formed subsidiary of Louisiana Bancshares Inc., Baton Rouge. (g)—Formerly known as Arvida Mortgage Co. (h)—Servicing volume for 6/30/85 is for the 2nd 100 firms on 6/30/86. (i)—Servicing volume for 6/30/85 is for the top 200 firms on 6/30/86. N.A.—Not Available.

# Top 300 Mortgage Companies

Based on Volume of Permanent Mortgages Serviced on June 30, 1986

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|                     |                                                              | Volume of Mortgages Serviced |                 | Rank<br>6/30/85 | Gain in<br>Rank | No. of Mortgages<br>Serviced<br>6/30/86 | No. of Investors<br>Excluding<br>GNMA Pools | 6/30/86<br>GNMA<br>Pools |
|---------------------|--------------------------------------------------------------|------------------------------|-----------------|-----------------|-----------------|-----------------------------------------|---------------------------------------------|--------------------------|
|                     |                                                              | 6/30/86                      | 6/30/85         |                 |                 |                                         |                                             |                          |
| 201                 | Beverly Hills Securities Co., Encino, Calif.                 | 511,649,000                  | 412,730,343     | 220             | +19             | 6,252                                   | 29                                          | 204                      |
| 202                 | First Commercial Mortgage Co., Little Rock, Ark.             | 511,463,700                  | 512,410,400     | 189             |                 | 14,136                                  | 90                                          | 143                      |
| 203                 | Arlington Mortgage Co., Inc., Falls Church, Va.              | 510,428,110                  | 433,413,428     | 209             | +6              | 16,696                                  | 52                                          | 56                       |
| 204                 | Mercantile Mortgage Corp., Houston                           | 510,000,000                  | 275,000,000     | 256             | +52             | 8,468                                   | 27                                          | 156                      |
| 205                 | McCaughan Mortgage Co., Inc., Coral Gables, Fla.             | 507,199,980                  | 513,367,144     | 188             |                 | 23,447                                  | 70                                          | 110                      |
| 206                 | Moore Mortgage Co., Denver                                   | 505,527,978                  | 454,968,794     | 202             |                 | 7,197                                   | 107                                         | 135                      |
| 207                 | RepublicBank Mortgage Corp., Dallas                          | 503,413,706                  | 208,000,000     | 276             | +69             | 9,821                                   | 110                                         | 108                      |
| 208                 | Shelter America Corp., Aurora, Colo.                         | 500,353,322                  | 427,773,000     | 210             | +2              | 30,361                                  | 138                                         | 397                      |
| 209                 | R&G Mortgage Corp., Hato Rey, P.R.                           | 500,215,658                  | 426,747,940     | 212             | +3              | 12,697                                  | 24                                          | 217                      |
| 210                 | American Mortgage & Investment Co., Oklahoma City            | 500,028,101                  | 541,900,000     | 183             |                 | 18,561                                  | 103                                         | 143                      |
| 211                 | Valley Mortgage Corp., Salt Lake City                        | 495,099,637                  | 467,114,746     | 199             |                 | 10,880                                  | 82                                          | 8                        |
| 212                 | Detroit Mortgage & Realty Co., Detroit                       | 493,298,607                  | 510,143,576     | 190             |                 | 8,797                                   | 13                                          | 130                      |
| 213                 | Hawkeye Bancorp. Mortgage Co., Des Moines, Iowa              | 488,386,000                  | 363,200,000     | 233             | +20             | 12,162                                  | 20                                          | 200                      |
| 214                 | Merchants Mortgage Corp., Indianapolis                       | 487,000,000                  | 425,830,225     | 213             |                 | 7,505                                   | 55                                          | 55                       |
| 215                 | Zions Mortgage Co., Salt Lake City                           | 482,000,000                  | 481,434,205     | 195             |                 | 17,000                                  | 80                                          | 139                      |
| 216                 | Alaska Pacific Mortgage Co., Anchorage                       | 475,951,454                  | 441,885,312     | 208             |                 | 4,633                                   | 24                                          | 0                        |
| 217                 | Mercantile Mortgage Corp., Baltimore                         | 475,000,000                  | 650,000,000     | 162             |                 | 6,050                                   | 49                                          | 90                       |
| 218                 | C&S Real Estate Services, Inc., Charleston, S.C.             | 469,200,000                  | 451,663,000     | 204             |                 | 14,036                                  | 75                                          | 140                      |
| 219                 | Mid-States Mortgage Corp., Southfield, Mich.                 | 466,705,010                  | N.A.            | ...             |                 | 12,502                                  | 72                                          | 144                      |
| 220                 | Inland Mortgage Co. Inc., Indianapolis                       | 465,691,283                  | 346,023,674     | 237             | +17             | 9,128                                   | 62                                          | 186                      |
| 221                 | Guardian Mortgage Co., Inc., Dallas                          | 461,847,564                  | 377,000,000     | 228             | +7              | 8,737                                   | 65                                          | 118                      |
| 222                 | Seattle Mortgage Co.                                         | 459,509,172                  | 418,956,287     | 217             |                 | 8,851                                   | 32                                          | 176                      |
| 223                 | Baird & Warner, Inc., Chicago                                | 458,906,672                  | 496,484,242     | 193             |                 | 502                                     | 58                                          | 3                        |
| 224                 | Housing Mortgage Corp., Pittsburgh                           | 458,112,000                  | 414,860,000     | 218             |                 | 14,056                                  | 103                                         | 36                       |
| 225                 | Van Schaack & Co., Denver                                    | 456,449,322                  | 568,063,927     | 179             |                 | 5,640                                   | 67                                          | 22                       |
| 226                 | Eberhardt Co., Minneapolis                                   | 455,350,000                  | N.A.            | ...             |                 | 5,060                                   | 60                                          | 89                       |
| 227                 | Gulf States Mortgage Co., Inc., Atlanta                      | 454,656,577                  | 251,000,000     | 263             | +36             | 8,196                                   | 30                                          | 136                      |
| 228                 | James B. Nutter & Co., Kansas City, Mo.                      | 452,300,000                  | 404,000,000     | 222             |                 | 12,500                                  | 50                                          | 102                      |
| 229                 | Mission Hills Mortgage Corp., Tustin, Calif.                 | 452,266,926                  | 451,162,496     | 205             |                 | 5,813                                   | 14                                          | 188                      |
| 230                 | Brumbaugh & Fulton Co., Tulsa, Okla.                         | 448,519,000                  | 424,937,863     | 215             |                 | 13,822                                  | 0                                           | 0                        |
| 231                 | Third National Mortgage Co., Nashville                       | 446,531,000                  | 414,526,460     | 219             |                 | 8,930                                   | 78                                          | 66                       |
| 232                 | Agrivest, Inc., Glastonbury, Conn.                           | 440,000,000                  | 460,000,000     | 200             |                 | 1,100                                   | 1                                           | 1                        |
| 233                 | M&I Grootemaat Mortgage Corp., Milwaukee, Wis.               | 436,513,504                  | 340,687,481     | 238             | +5              | 13,018                                  | 56                                          | 152                      |
| 234                 | Fullerton Financial Corp., Minneapolis                       | 434,856,700                  | 400,538,505     | 223             |                 | 12,168                                  | 56                                          | 207                      |
| 235                 | Stanwell Mortgage, Concord, Calif.                           | 430,000,000                  | 275,000,000     | 255             | +20             | 7,000                                   | 57                                          | 90                       |
| 236                 | Ensign Mortgage Co., Atlanta                                 | 426,596,474                  | 183,000,000     | 289             | +53             | 9,324                                   | 53                                          | 10                       |
| 237                 | Midland Mortgage Corp., Orlando, Fla.                        | 410,000,000                  | 425,000,000     | 214             |                 | 16,372                                  | 96                                          | 120                      |
| 238                 | Capital Mortgage Corp., Farmington Hills, Mich.              | 404,981,331                  | 375,000,000     | 229             |                 | 14,496                                  | 50                                          | 56                       |
| 239                 | National Pacific Mortgage Corp., Cerritos, Calif.            | 404,650,618                  | 301,930,613     | 246             | +7              | 4,912                                   | 8                                           | 40                       |
| 240                 | Regional Investment Co., Leawood, Kan.                       | 403,118,794                  | 387,893,602     | 226             |                 | 14,405                                  | 73                                          | 213                      |
| 241                 | Oklahoma Mortgage Co., Inc., Oklahoma City                   | 403,093,299                  | 381,418,055     | 227             |                 | 13,227                                  | 65                                          | 208                      |
| 242                 | USLife Real Estate Services Corp., Dallas                    | 403,000,000                  | 451,000,000     | 206             |                 | 2,600                                   | 26                                          | 0                        |
| 243                 | Tucker Brothers, Inc., Jacksonville, Fla.                    | 401,893,595                  | 472,570,618     | 197             |                 | 14,571                                  | 69                                          | 210                      |
| 244                 | Cohen Financial Corp., Chicago                               | 400,000,000                  | N.A.            | ...             |                 | 400                                     | 15                                          | 0                        |
| 245                 | First NH Mortgage Corp., Manchester                          | 394,215,790                  | 272,904,000     | 259             | +14             | 2,469                                   | 25                                          | 8                        |
| 246                 | First Mortgage Corp., Diamond Bar, Calif.                    | 383,661,365                  | 359,958,352     | 234             |                 | 6,830                                   | 11                                          | 122                      |
| 247                 | Laurance Eustis Mortgage Corp., New Orleans, La.             | 381,900,000                  | 400,000,000     | 224             |                 | 5,977                                   | 29                                          | 30                       |
| 248                 | Magna Mortgage Co., Decatur, Ill.                            | 369,805,585                  | 364,000,000     | 232             |                 | 13,992                                  | 53                                          | 194                      |
| 249                 | Lowell, Smith & Evers, Inc., Garden City, N.Y.               | 368,631,792                  | 367,391,000     | 230             |                 | 14,891                                  | 28                                          | 117                      |
| 250                 | Unified Mortgage Company, Cupertino, Calif.                  | 357,000,000                  | 533,032,261     | 185             |                 | 3,510                                   | 17                                          | 0                        |
| 251                 | American Continental Mortgage Co., Phoenix, Ariz.            | 355,000,000                  | 356,997,072     | 235             |                 | 4,642                                   | 13                                          | 0                        |
| 252                 | Carl I. Brown & Co., Kansas City, Mo.                        | 350,166,558                  | 250,005,000     | 264             | +12             | 5,611                                   | 17                                          | 167                      |
| 253                 | Bank South Mortgage Corp., Atlanta                           | 349,444,229                  | 315,000,000     | 243             |                 | 6,545                                   | 49                                          | 149                      |
| 254                 | Bancshares Mortgage Co., Spokane, Wash.                      | 336,926,817                  | 282,727,866     | 253             |                 | 4,499                                   | 40                                          | 1                        |
| 255                 | St. Joseph Mortgage Co., Inc., South Bend, Ind.              | 330,000,000                  | 296,000,000     | 249             |                 | 6,180                                   | 69                                          | 90                       |
| 256                 | Mercury Mortgage Co., Inc., Tulsa, Okla.                     | 326,317,000                  | 298,000,000     | 248             |                 | 10,094                                  | 22                                          | 184                      |
| 257                 | Capitol Mortgage & Trust Co., Austin, Tex.                   | 320,393,778                  | 255,101,000     | 262r            | +5              | 6,653                                   | 48                                          | 120                      |
| 258                 | Hartger & Willard Mortgage Assoc., Inc., Grand Rapids, Mich. | 318,515,600                  | 291,900,000     | 250             |                 | 435                                     | 21                                          | 11                       |
| 259                 | Kirk Mortgage Co., Philadelphia                              | 315,000,000                  | 284,741,395     | 252             |                 | 13,779                                  | 38                                          | 45                       |
| 260                 | International Mortgage Co., Los Angeles                      | 314,865,502                  | 451,865,000     | 203             |                 | 3,761                                   | 20                                          | 110                      |
| 261                 | BankEast Mortgage Corp., Manchester, N.H.                    | 302,514,131                  | 151,000,000     | 302             | +41             | 6,696                                   | 1                                           | 1                        |
| 262                 | American National Mortgage Co., Inc., Fort Worth, Tex.       | 301,276,613                  | 290,187,191     | 251             |                 | 6,742                                   | 63                                          | 97                       |
| 263                 | Alamo Investment Co., San Antonio, Tex.                      | 293,037,142                  | 235,549,104     | 267             | +4              | 4,956                                   | 29                                          | 176                      |
| 264                 | Orbanco Real Estate Services Co., Portland, Ore.             | 292,000,000                  | 366,000,000     | 231             |                 | 4,800                                   | 42                                          | 3                        |
| 265                 | Stockton, White & Co., Raleigh, N.C.                         | 289,535,872                  | 312,196,889     | 244             |                 | 8,300                                   | 50                                          | 48                       |
| 266                 | Megapolitan Mortgage Co., Denver                             | 286,326,204                  | 278,857,224     | 254             |                 | 3,070                                   | 0                                           | 0                        |
| 267                 | Occidental Mortgage Corp., West Covina, Calif.               | 285,637,147                  | 204,602,000     | 277             | +10             | 4,318                                   | 7                                           | 14                       |
| 268                 | Justice Mortgage Co., Inc., Dallas                           | 284,959,852                  | 240,000,000     | 266             |                 | 6,023                                   | 26                                          | 29                       |
| 269                 | First Fidelity Mortgage Corp., Atlanta                       | 276,000,000                  | 217,639,000     | 271             | +2              | 47                                      | 5                                           | 0                        |
| 270                 | Calumet Securities Corp., Schererville, Ind.                 | 268,136,658                  | 274,517,615     | 257             |                 | 9,792                                   | 45                                          | 1                        |
| 271                 | Pool Mortgage Co., Oklahoma City                             | 262,197,161                  | 224,987,309     | 268             |                 | 6,008                                   | 84                                          | 56                       |
| 272                 | Texas Western Mortgage, Inc., Houston                        | 261,803,701                  | N.A.            | ...             |                 | 3,927                                   | 65                                          | 47                       |
| 273                 | Camp & Co., Birmingham, Ala.                                 | 252,809,882                  | 183,000,000     | 288             | +15             | 167                                     | 13                                          | 0                        |
| 274                 | Atlantic Mortgage & Investment Corp., Jacksonville, Fla.     | 250,052,610                  | 170,989,000     | 292             | +18             | 5,892                                   | 19                                          | 94                       |
| 275                 | John Burnham & Co., San Diego, Calif.                        | 240,956,000                  | 188,897,269     | 285             | +10             | 544                                     | 12                                          | 0                        |
| 276                 | Singleton Mortgage Corp., Memphis, Tenn.                     | 240,800,000                  | 208,500,000     | 275             |                 | 6,649                                   | 26                                          | 2                        |
| 277                 | First Financial Corp., Waco, Tex.                            | 239,363,148                  | 250,000,000     | 265             |                 | 16,245                                  | 24                                          | 695                      |
| 278                 | Boulevard Mortgage Co., Philadelphia                         | 233,770,532                  | 200,147,394     | 280             | +2              | 8,016                                   | 35                                          | 61                       |
| 279                 | Central Mortgage Bancshares, Inc., Springfield, Mo.          | 233,599,255                  | 199,431,154     | 283             | +4              | 8,717                                   | 40                                          | 72                       |
| 280                 | Beneficial Standard Mortgage Co., Los Angeles                | 230,247,440                  | 202,373,411     | 278             |                 | 831                                     | 5                                           | 0                        |
| 281                 | Holiday Mortgage Corp., Tulsa, Okla.                         | 227,393,157                  | .....           | ...             |                 | 137                                     | 16                                          | 0                        |
| 282                 | Weststar Mortgage Corp., Santa Rosa, Calif.                  | 226,981,000                  | 117,863,000     | 322             | +40             | 4,106                                   | 31                                          | 0                        |
| 283                 | Bank of Virginia Mortgage Corp., Richmond                    | 224,427,472                  | 266,359,059     | 260             |                 | 4,645                                   | 51                                          | 23                       |
| 284                 | GECC Financial Corp., Honolulu                               | 222,005,335                  | 208,654,925     | 274             |                 | 2,160                                   | 38                                          | 0                        |
| 285                 | Pioneer Mortgage Corp., Shreveport, La.                      | 219,163,897                  | 200,000,000     | 281             |                 | 7,646                                   | 44                                          | 82                       |
| 286                 | Jim Perry & Co., Coconut Grove, Fla.                         | 216,793,124                  | 300,000,000     | 247             |                 | 137                                     | 20                                          | 0                        |
| 287                 | Fullerton Mortgage & Escrow Co., Calif.                      | 212,000,000                  | 212,517,586     | 273             |                 | 4,649                                   | 26                                          | 58                       |
| 288                 | Barry S. Slatt Mortgage Co., San Francisco                   | 211,417,378                  | 168,350,992     | 293             | +5              | 354                                     | 7                                           | 0                        |
| 289                 | Boatmen's Mortgage Corp., St. Louis                          | 204,000,000                  | 10,508,987      | 341             | +52             | 5,322                                   | 6                                           | 1                        |
| 290                 | AmBank Mortgage Co., Baton Rouge, La.                        | 203,228,802                  | 201,417,775     | 279             |                 | 5,483                                   | 34                                          | 20                       |
| 291                 | A.E. Landvoigt, Fairfax, Va.                                 | 200,036,915                  | 183,540,122     | 287             |                 | 2,927                                   | 14                                          | 90                       |
| 292                 | Turner Corp. of Oklahoma, Inc., Tulsa                        | 197,101,603                  | 191,389,861     | 284             |                 | 5,450                                   | 57                                          | 53                       |
| 293                 | Proctor & Associates of Michigan, Inc., Troy                 | 193,332,289                  | 137,553,631     | 308             | +15             | 294                                     | 14                                          | 0                        |
| 294                 | Alta Mortgage Co., Concord, Calif.                           | 191,753,045                  | 182,681,455     | 290             |                 | 3,172                                   | 36                                          | 36                       |
| 295                 | United Bankers Mortgage Corp., Oklahoma City                 | 186,016,000                  | 101,296,544     | 328             | +33             | 3,593                                   | 40                                          | 12                       |
| 296                 | Hancock Mortgage Corp., Gulfport, Miss.                      | 185,936,507                  | 181,703,508     | 291             |                 | 3,996                                   | 45                                          | 31                       |
| 297                 | Mercury Mortgage Service Corp., Hayward, Calif.              | 185,556,828                  | 118,000,000     | 321             | +24             | 2,291                                   | 13                                          | 40                       |
| 298                 | Mayflower Mortgage Corp., Plymouth, Mich.                    | 183,730,616                  | 118,573,000     | 319             | +21             | 3,525                                   | 12                                          | 0                        |
| 299                 | Glenn Justice Mortgage Co., Inc., Dallas                     | 180,835,475                  | 200,000,000     | 282             |                 | 4,541                                   | 55                                          | 0                        |
| 300                 | Carey Winston Co., Bethesda, Md.                             | 176,019,395                  | 157,885,912     | 295             |                 | 3,180                                   | 35                                          | 27                       |
| TOTALS FOR 3RD 100* |                                                              | 35,206,360,296               | 30,055,429,799  |                 |                 | 755,245                                 | 4,199                                       | 8,221                    |
| TOTALS FOR TOP 300† |                                                              | 549,826,316,825              | 472,698,580,584 |                 |                 | 11,418,252                              | 33,708                                      | 108,353                  |

This listing is based on permanent real estate mortgages serviced for investors. Mortgages owned by an institution, as well as forward commitments, home improvement loans, and all temporary financing such as construction loans and development loans are excluded. (a)—Two years ago Holiday Mortgage was acquired by American Mortgage & Investment Co., Oklahoma City. In May 1986, it became an independent company once again. (b)—Formerly Thomas D. Wood & Co. Changed title in

March 1986. (c)—Formerly a subsidiary of United Oklahoma Bank, Oklahoma City. United Bankers was sold to Landmark Land Co., Carmel, Calif., in October 1986. (d)—Formerly known as Missouri Mortgage & Investment Co. (e)—Based on data received after publication last year. This is the rank the company would have had if data were available. (f)—Serving volume for 6/30/85 is for the 3rd 100 firms on 6/30/86. (†)—Serving volume for 6/30/85 is for the top 300 firms on 6/30/86.

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## Top Firms in Mortgage Industry Taking Bigger Share Of the Servicing Business, Despite More Players

By L. MICHAEL CACACE

NEW YORK — The top firms in the mortgage industry are significantly increasing their share of the mortgage servicing market. This concentration of servicing at the top firms signals a fundamental change in the industry.

In today's annual survey of the top 300 mortgage companies in mortgages serviced for investors, the *American Banker* finds that the top 300 firms are servicing more than 93% of the industry's portfolio. Just five years ago, the figure was 89%. Nineteen years ago — when the *American Banker* first began keeping track of servicing — the top firms were servicing 79% of the industry portfolio.

While servicing has become more concentrated, the total number of mortgage companies is on the rise. According to the Mortgage Bankers Association, Washington, D.C., on June 30, 1986, there were 1,357 mortgage companies that were members of that association. Just five years earlier, there were 786 mortgage company members in the association.

According to Lawrence J. Trautman, a senior vice president and director of mortgage industry practice at Donaldson, Lufkin & Jenrette Inc., New York: "We are seeing the development of a two-tier industry — those firms engaged principally in the loan origination business, and those strategically seeking to become major factors in loan servicing by achieving certain economies of scale available to the largest of servicers."

The mortgage company business is actually two businesses — loan origi-

nation and servicing. A mortgage company originates first mortgages with its own or borrowed funds and then sells these loans to investors. The servicing business is generally more lucrative. For a fee, the mortgage company will continue to service the mortgages it sold to investors.

Servicing includes the collection of payments in accordance with the terms of the loan and the operational procedures covering accounting, bookkeeping, insurance, tax records, loan payment follow-up, delinquency loan follow-up, and loan analysis.

Over the past two years, the originations portion of the business has boomed, sparked by lower interest rates. "Mom and pop" mortgage companies have developed, specializing in originations. These small companies are selling their portfolios to the larger companies for servicing.

According to Mr. Trautman, the recent spate of refinancings of higher interest mortgages for lower interest mortgages over the last year has caused "a transfer of wealth from major portfolio services to the 'cottage industry' originators."

"Many aggressive purchasers of loan servicing during the past several years have found that their portfolios are 'running off' at levels never imagined in their wildest dreams, with the handsomely priced asset they've paid for simply disappearing as the borrower refinances with an originator possessing a superior point-of-sale capability," Mr. Trautman says.

The top 300 mortgage companies were servicing \$549.8 billion for investors on June 30, 1986, up 16.3% from the year before. According to data from the Mortgage Bankers Association, its 1,357 mortgage company members were servicing \$590.3 billion in mortgages for investors at midyear.

GMAC Mortgage Co., Philadelphia, maintained its ranking as the top mort-

gage company in the field with \$21.8 billion in mortgages serviced for investors on June 30, up 4.7% from its industry leading volume of \$20.4 billion on Dec. 31, 1985, and up 12.6% from \$19.3 billion on June 30, 1985, when it ranked second.

The three largest percentage gains in servicing and the three largest percentage losses in servicing over the year ending June 30, 1986, were posted by commercial-bank-related firms.

The top three gainers were: Boatmen's Mortgage Corp., St. Louis; Independence One Mortgage Corp., Southfield, Mich.; and MPact Mortgage Bankers, Dallas.

Boatmen's Mortgage Corp. — formerly known as Missouri Mortgage & Investment Co. — is a subsidiary of Boatmen's Bancshares Inc., St. Louis. Boatmen's Mortgage, which ranked 289th among the top 300 firms, had a 1,841% gain in its servicing to \$204.0 million on June 30, 1986, from \$10.5 million on June 30, 1985. The mortgage company did not respond to several requests from the *American Banker* to explain the reasons for this gain.

Independence One Mortgage Corp., a subsidiary of Michigan National Corp., Bloomfield Hills, had a 213% gain in its servicing to \$1.9 billion at midyear 1986, up from \$614.2 million a year earlier. The company, which ranked 78th among the top 300 firms, attributes the gain to the consolidation of an affiliate bank's servicing into its portfolio.

MPact Mortgage Bankers, Dallas, had a 178% gain in its servicing volume to move up 83 places in rank to 189th, with \$597.9 million in servicing on June 30. MPact Mortgage, a subsidiary of MCorp, attributed about half of the gain to an expansion of its correspondent operations into the Southeast and the other half to the surge in loan production brought about by lower interest rates.

### Concentration in the Mortgage Industry

Selected Dates Over the Period 1967 to 1986  
(Top 300 firms in servicing compared with industry; dollars in billions)

| Date          | Servicing by Top 300 Firms | Servicing by All Firms in Industry | Total No. of Firms in Industry | Ratio Top 300:All |
|---------------|----------------------------|------------------------------------|--------------------------------|-------------------|
| June 30, 1967 | \$48.6                     | \$61.7                             | NA                             | 78.8%             |
| June 30, 1972 | 83.0                       | 96.6                               | NA                             | 85.9%             |
| June 30, 1977 | 134.8                      | 153.0                              | 735                            | 88.1%             |
| June 30, 1981 | 252.4                      | 282.6                              | 786                            | 89.3%             |
| June 30, 1986 | 549.8                      | 590.3                              | 1,357                          | 93.1%             |

\* — Data from Mortgage Bankers Association, Washington, D.C.

Last week, Lomas & Nettleton Financial Corp., Dallas, the nation's second largest mortgage company, with \$21.3 billion in servicing at midyear, announced that it will acquire MPact Mortgage Bankers' entire servicing portfolio before yearend.

The three largest declines in servicing were posted by Latimer & Buck Inc., Philadelphia; Security Pacific Mortgage Corp., Denver; and Intercounty Mortgage Corp., Hempstead, N.Y.

Latimer & Buck, a subsidiary of Fidelity Corp., Rosemont, Pa., had a 48% decline in servicing to \$1.1 billion on June 30, 1986, from \$2.2 billion a year earlier, to drop 65 places in rank to 127th. The decline was attributable to the sale of its residential mortgage portfolio to a sister mortgage company, Fidelity Bond & Mortgage Co., Philadelphia.

Fidelity Bond & Mortgage had a 40% gain in its servicing portfolio to move up 17 places in rank to 101st, with \$1.51 billion in servicing at midyear 1986, compared with \$1.08 billion a year earlier. On Oct. 1, Fidelity sold Fidelity Bond & Mortgage to Raritan Valley Savings and Loan Association, East Brunswick, N.J., for \$22.5 million.

The nation's 57th largest mortgage company, Security Pacific Mortgage Corp., Denver, a subsidiary of Security Pacific Corp., Los Angeles, had the second largest decline in servicing. Its servicing portfolio fell 39% to \$2.47 billion on June 30, from \$4.07 billion a year earlier. The company is in the process of leaving the servicing business.

In September, Fleet Financial Corp., Providence, R.I. — the nation's fifth largest mortgage servicer, based on the combined servicing portfolio of \$13.8 billion at Fleet National Bank and its two mortgage company subsidiaries — announced that it had agreed to purchase Security Pacific Mortgage.

The *American Banker* survey is based on permanent real estate mortgages serviced for investors. Mortgages owned by an institution, as well as forward commitments, home improvement loans, and all temporary financing, such as construction loans and development loans, are excluded. The listing includes servicing performed by independent mortgage companies; mortgage companies that are subsidiaries of other firms, including banks, bank holding companies, and thrift institutions; and holding companies whose major holdings are in mortgage companies.

### American Banker's Mortgage Firm Report Available on Diskette

The data presented in today's report on the top 300 mortgage companies are available on a computer diskette for \$100 (New York residents add sales tax).

The diskette uses formats suitable for most personal computer users and allows for easy manipulation and analysis.

To order your diskette write Banking Data Service, American Banker, One State Street Plaza, New York, N.Y. 10004. Outside of New York, phone orders may be placed toll-free by calling Debra Crocco at 800-322-0047. New York State residents may call 212-943-8276.

## Small Mortgage Lenders Will Soon Be Swimming with the Big Fish

### Little Firms May See Larger Profits After Fannie Mae Pools Their Mortgages for Institutional Investors

By JIM McTAGUE  
Washington Bureau

WASHINGTON — Beginning Jan. 1, small-fry mortgage lenders will be able to plunge into the previously inaccessible waters of the big pools, an event made possible by a marketing stroke of the Federal National Mortgage Association, or Fannie Mae.



Fannie Mae predicts small lenders will realize bigger profits by allowing the agency to batch their mortgage loans into one big package or "pool" for sale to institutional investors.

The lenders will receive a pro-rata piece of the sale proceeds.

"The institutional investors want big pools, and they

are paying premiums for them," contends Dick Daniels, a senior vice president at Fannie Mae.

Explained another Fannie Mae official, "A big \$100 million pool is easier work for an institutional investor's bookkeepers to handle than, say, 10 smaller pools of \$1 million each, and that's one reason they are in demand."

The new program will permit lenders with packages of mortgages in amounts as low as \$250,000 to wade into markets previously dominated by only the largest mortgage-banking firms. Initially, only 30-year conventional mortgages not more than 12 months old will be eligible.

The batched mortgage pools eventually could approach the \$1 billion mark if demand for mortgages remains strong, said Mr. Daniels.

Most mortgage pools now offered for sale are in the \$1 million range.

Fannie Mae expects to see some increase in market share due to the new product because competitor Freddie Mac, the Federal Home Loan Mortgage Corp., has nothing like it.

The new product has tax implications that Mr. Daniels said all lenders should be aware of before they jump in for a swim. Lenders who deliver mortgages to the pool and get back securities representing their share have to account for the transaction as a sale of assets, he said. This means that the securities could not be used for swaps or as collateral for repurchase agreements, he said.

Information on pool numbers and coupon rates is available by phone or on Telerate, Mr. Daniels said.